

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4866-01
Bill No.: Perfected SB 900
Subject: Insurance - General; Insurance Dept.
Type: Original
Date: March 3, 2010

Bill Summary: Makes numerous revisions to the Missouri Life and Health Insurance Guaranty Association Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission** and **Office of State Courts Administrator** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state this legislation changes the laws regarding the Missouri Life and Health Insurance Guaranty Association Act to make it consistent with the model act adopted by the nation Association of Insurance Commissioners.

According to discussions with the Life and health Guaranty Association, the increase in the annuity limit in the proposal is to bring the guaranty association system in line with the limits of the FDIC. At this point, the association is not aware of any short term (FY 11, FY 12, or FY 13) event that would bring these higher limits into play. The situation would be the same for the increase in the major medical limit and the long-term care limit.

Since the association does not see a fiscal impact in FY 11, FY 12, and FY 13 from raising the guaranty association limits, the DIFP assumes the proposal will have no fiscal impact on their organization.

Oversight note that any insurance company going into receivership at this point would be speculative; therefore, the proposal has no foreseeable fiscal impact on the state.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

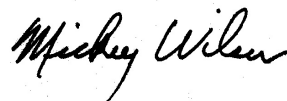
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Insurance, Financial Institutions, and Professional Registration



Mickey Wilson, CPA
Director
March 3, 2010